GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:7250
ANSWERED ON:12.05.2000
DECLINE IN THE PRICE OF COFFEE
P.C. THOMAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the prices of coffee have crashed recently;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government have any programme to help the coffee growers in this hardship;

(d) if so, whether the Government intend to impose anti-dumping duty for revival of coffee products which are in the free list of imports; and

(e) the other steps taken/proposed to be taken by the Government to help the coffee growers?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) to (b): In the recent months the international coffee prices have fallen due to surplus coffee supply due to over production. Since, nearly 80% of the coffee produced in India is exported, the domestic prices are influenced by and is mainly dependent upon the international coffee prices. Hence the Indian coffee growers are not getting the same remunerative prices today as they were getting 2-3 years ago. Particularly in the case of Robusta, the coffee farm gate prices are hovering just above the cost of production level.

(c)& (d): Consequent to liberalisation of coffee trade, the Coffee Board is no longer directly involved in the marketing activities. However, the Govt. of India through Coffee Board closely monitors the market/price situation and if situation warrants, will take suitable ameliorative measures so as to safeguard the interests of the coffee growers. In order to discourage import of coffee, the Govt. of India has recently increased the import duty on coffee from 15% to 35%.

(e) The Government of India through the Coffee Board, besides operating severalplan schemes and developmental activities aimed at intensive cultivation, replanting, quality improvement and water augmentation, has also been providing necessary support in the form of agricultural research, extension, arrangement of credit and finance and other necessary backup support like supply of seed for planting purposes, etc.